

MINUTES¹

SPECIAL JOINT MEETING OF THE BOARD OF DIRECTORS OF THE COLORADO RIVER WATER CONSERVATION DISTRICT AND OF THE COLORADO RIVER WATER CONSERVATION DISTRICT ACTING BY AND THROUGH ITS COLORADO RIVER WATER PROJECTS ENTERPRISE

September 11, 2003

Pursuant to notice duly and properly given, a Special Joint Meeting of the Board of Directors of the Colorado River Water Conservation District (CRWCD) and of the CRWCD Acting by and Through its Colorado River Water Projects Enterprise was held on Thursday, September 11, 2003, at the Hotel Colorado, 526 Pine Street, Glenwood Springs, Colorado.

Directors participating during all or part of the meeting:

Paul Ohri, President	Stephen M. Mathis, Vice President
Warner Dewey	Thomas A. Long
T. Wright Dickinson	David Smith
J. Richard Hunt	William S. Trampe
Peter A. Kasper	

Directors not present:

Wade Collins	Kathryn H. Hall
Thomas S. Dunlop	Thomas R. Sharp
Bill Ferguson	Thomas Stone

Others participating during all or part of the meeting:

Eric Kuhn, Secretary/General Manager, CRWCD
Peter Fleming, General Counsel, CRWCD
Dan Birch, Project Development Manager, CRWCD
Dave Merritt, Chief Engineer, CRWCD
Laura Hines, Business Manager, CRWCD
Laurie DePaolo, Administrative Assistant, CRWCD
Cheryl Dunlap, Senior Accountant, CRWCD
Don Meyer, Water Resources Specialist, CRWCD
Martha Moore, Administrative Assistant, CRWCD
Jim Pearce, Senior Water Resources Engineer, CRWCD
Peter Roessmann, Water Education Specialist, CRWCD
Ray Tenney, Senior Water Resources Engineer, CRWCD
Bert Bondi, Bondi & Company
Mike Brod, Colorado Water Resources and Power Development Authority
Steven F. Costello, Costello & Company
Paul Backes, McMahan and Associates
Lawrence W. Rowan, Dalby Wendland
Julia Stone, Bondi & Company

Quorum.

President Ohri found a quorum and called the meeting to order at 8:48 a.m.

Discussion and Action on Wolford Mountain Project Refinancing.

Mike Brod, of the Colorado Water Resources and Power Development Authority presented to the Board two

¹ A complete record of the meeting has been made on audio cassette tapes. The tapes and the associated staff memoranda are the only complete record of the meeting. These written summaries are intended to record decisions or actions taken by the Board and as an aid to research and a guide to the tapes. The motions described herein may not necessarily represent a verbatim transcription. The tapes are available for listening at the CRWCD during regular office hours. Arrangements may be made to make copies of the tapes or written transcripts of specific agenda items at the requestor's expense.

proposals for refinancing the Wolford Mountain Project Colorado Water Conservation Board loan. Subsequent to discussion, the general consensus reached was to accept the proposal for a 10-year loan.

General Manager Informational Items.

Dave Merritt reported that organizers for an educational forum on a proposed Constitutional Amendment for a new state infrastructure financing mechanism, known as the "Infrastructure for Millennium III," have asked for River District participation. The consensus of the Board was to monitor the effort. Dave Merritt and Chris Treese will serve as liaisons to the forum.

Eric Kuhn referred to the August 9, 2003 memo by Chris Treese which outlined three approaches to basin of origin protection and how they relate to the River District's current basin of origin policies. Further discussion is expected at the fourth quarterly Board meeting in October 2003.

General Counsel Informational Items.

Peter Fleming reported that staff's comments to the Colorado Water Conservation Board's Recreational In-Channel Diversion(RICD) policy included the River District's the suggestion that the policy language be less directive and more guidance oriented.

Regarding Case No. 01CW357, the Board agreed with Mr. Fleming's recommendation to send a letter proposing that Rendezvous withdraw its request for transfer a portion of the Fraser Project water rights.

General Counsel's Report - Executive Session.

Peter Fleming reported that the following matters involving litigation and negotiation should be discussed in Executive Session pursuant to C.R.S §§ 24-6-402(4)(b)(legal advice), 4(e)(negotiations) and (f)(personnel matters.)

- i. Colorado-Big Thompson Project - Green Mountain Reservoir Lawsuit.
- ii. Redlands Water and Power Company Winter Agreement.
- iii. Black Canyon Reserved Rights Case.
- iv. Colorado Springs Substitution Agreement.
- v. Upper Gunnison River Water Conservancy District RICD Trial.
- vi. Personnel Matters.

The Board discussions of the above issues constituted privileged attorney-client communications and therefore were not tape-recorded.

Director Dickinson moved, seconded by Directors Hunt and Kasper, to proceed into Executive Session pursuant to C.R.S. §§ 24-6-402(4)(b)(legal advice), (e)(negotiations), and (f)(personnel matters.) Motion carried unanimously.

General Counsel's Report - Public Session.

Summary and Action Items from Executive Session:

Peter Fleming stated that during the Executive Session, the Board discussed the following matters:

- i. Colorado-Big Thompson Project - Green Mountain Reservoir Lawsuit.
- ii. Redlands Water and Power Company Winter Agreement.
- iii. Black Canyon Reserved Rights Case.
- iv. Colorado Springs Substitution Agreement.
- v. Upper Gunnison River Water Conservancy District RICD Trial.
- vi. Personnel Matters.

Auditor Interviews.

The Board conducted interviews with representatives from the auditing firms of Bondi & Company, Costello & Company, Dalby Wendland, and McMahan and Associates.

Budget Workshop.

The major issues discussed during the 2004 Budget Workshop included valuation and mil levy, personnel and staffing, capital expenditures, enterprise expenditures, long range budget projections and the newly created outreach program.

Auditor Selection:

Director Dickinson moved, seconded by Director Kasper, for McMahan and Associates to be selected as the firm to provide auditing services for 2004 through 2007. Directors voting in favor of the motion: Dickinson, Hunt, Kasper, and Long. Directors voting against the motion: Dewey, Mathis, Ohri, Smith and Trampe. Motion failed. Director Mathis moved, seconded by Director Smith, for Costello & Company to be selected as the firm to provide auditing services for 2004 through 2007. Motion carried unanimously.

Adjourn.

There being no further business before the Board, President Ohri adjourned the meeting at 3:00 p.m.

Paul Ohri, President

ATTEST:

R. Eric Kuhn, Secretary/General Manager

Executive Session Attestations.

I hereby attest that the portions of the Executive Session that were not recorded constituted privileged attorney-client communications.

Peter Fleming, General Counsel

I hereby attest that the portions of the Executive Session that were not recorded was confined to the topics authorized for discussion in Executive Session.

Paul Ohri, President